

## Message Text

CONFIDENTIAL

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ACTION EB-06

INFO OCT-01 EUR-08 ISO-00 DODE-00 NSAE-00 RSC-01 TRSE-00

AEC-05 CIAE-00 COME-00 DRC-01 /022 W

----- 021076

R 170650Z OCT 74

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 882

INFO AMCONSUL ZAGREB UNN

C O N F I D E N T I A L BELGRADE 5138

E.O. 11652: GDS

TAGS: ESTC, YO

SUBJECT: POSSIBLE UNAUTHORIZED RE-EXPORT OF U.S.

ORIGIN EQUIPMENT

REF : STATE 225667

1. EMBASSY AGREES THAT THIS MATTER SHOULD BE DISCUSSED WITH YUGOSLAV AUTHORITIES, AND THAT SMALL INTERAGENCY GROUP ASSISTED BY EMBASSY OFFICERS WOULD BE APPROPRIATE MEANS.

2. FOREIGN TRADE SECRETARIAT IS APPROPRIATE PRIMARY FOCUS FOR OUR INITIATIVES, AND THIS SECRETARIAT MOST LIKELY TO TAKE EFFECTIVE ACTION IN INTEREST OF OVERALL US-YUGOSLAV ECONOMIC RELATIONS, PROVIDED CONVINCING EVIDENCE IS PRESENTED. FOREIGN SECRETARIAT SHOULD BE KEPT INFORMED. INSTEAD OF DIRECT INITIAL APPROACH TO FEDERAL ECONOMIC CHAMBER, WE WOULD PREFER TO GIVE FOREIGN TRADE SECRETARIAT OPPORTUNITY TO ENLIST THAT SEMI-GOVERNMENTAL ORGANIZATION'S COOPERATION FOR REMEDIAL ACTIVITIES, POST-SHIPMENT CHECKS, ETC.

3. EMBASSY LACKS COMPLETE INFORMATION ON EVIDENCE REFERRED TO REFTEL, AND SO WE CANNOT JUDGE RELIABILITY. NEVERTHELESS, WE WOULD HOPE THAT -- PENDING ESTABLISHMENT WHETHER DIVERSIONS HAVE IN FACT OCCURRED, AND RESPONSIBILITY FOR SUCH DIVERSIONS-- COMMERCE REFRAIN FROM ANY COMPREHENSIVE MEASURES TO DELAY OR LIMIT SHIPMENTS TO YUGOSLAVIA IN ENTIRE SEMICONDUCTOR AND COMPUTER

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AREA. WE HAVE WORKED HARD TO DEVELOP YUGOSLAV MARKETS FOR THESE

PRODUCTS (INCLUDING RECENT TRADE MISSION) AND ANNUAL EXPORTS  
WILL SOON EXCEED \$50 MILLION ANNUALLY.

4. AS AGENCIES ARE AWARE, YUGOSLAV ECONOMY IS HIGHLY DECENTRALIZED,  
AND INDIVIDUAL SELF-MANAGED ENTERPRISES -NOT GOY-- CONDUCT IMPORT  
AND EXPORT. LISTS AND QUOTAS IN TRADE AGREEMENTS WITH USSR AND  
OTHER COMMUNIST COUNTRIES REFLECT EXPECTATIONS OF INDIVIDUAL  
YUGOSLAV ENTERPRISES, AND THEREAFTER IT IS UP TO INDIVIDUAL  
ENTERPRISES TO TAKE ADVANTAGE OF QUOTAS OR NOT. MISCONDUCT  
BY INDIVIDUAL ENTERPRISE SHOULD OF COURSE RESULT IN MEASURES  
AGAINST THAT ENTERPRISE, BUT SHOULD NOT BE TAKEN AS GROUNDS FOR  
BARRING EXPORTS TO OTHER YUGOSLAV FIRMS OR TO YUGOSLAVIA IN  
GENERAL.

5. IF AGENCIES CONCUR, EMBASSY READY TO APPRISE FOREIGN TRADE  
SECRETARIAT AND FOREIGN SECRETARIAT OF PROBLEM, AND  
EXPLORE AVAILABILITY OF APPROPRIATE PERSONNEL DURING WEEK  
OF NOVEMBER 18.

6. PLEASE ADVISE.  
TOON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INTERAGENCY COOPERATION, ELECTRONIC EQUIPMENT, REEXPORT, STRATEGIC TRADE CONTROLS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 17 OCT 1974  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** shawdg  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** POSSIBLE UNAUTHORIZED RE-EXPORT OF U.S. ORIGIN EQUIPMENT  
**TAGS:** ESTC, YO, UR, US  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005